

Exhibit 22

<p>1 2 COMMODITY FUTURES TRADING COMMISSION 3 -----X 4 IN THE MATTER OF: 5 RETAIL FOREX FRAUD 6 -----X 7 8 140 Broadway 9 New York, New York 10 11 May 13, 2016 12 9:30 A.M. 13 14 DEPOSITION of EVAN MILAZZO, the witness 15 herein, taken by the Commodity Futures Trading 16 Commission, pursuant to Agreement, held at the 17 above-noted time and place, before a Notary Public 18 of the State of New York. 19 20 21 22 23 24 25</p>	<p>2 1 A P P E A R A N C E S: 2 COMMODITY FUTURES TRADING COMMISSION 3 DIVISION OF ENFORCEMENT 4 140 Broadway - 19th Floor 5 New York, New York 10005 6 BY: XAVIER ROMEU-MATTA, ESQ. 7 BRENT TOMER, ESQ. 8 CHRISTOPHER M. GIGLIO, Investigator 9 DAVID C. NEWMAN, ESQ. 10 11 12 ATTORNEYS FOR WITNESS: 13 WEIL GOTSHAL & MANGES, LLP 14 767 Fifth Avenue 15 New York, New York 10153 16 BY: CHRISTOPHER L. GARCIA, ESQ. 17 RAQUEL KELLERT, ESQ. 18 ANDREW CAUCHI, ESQ. 19 20 21 22 23 24 25</p>
<p>3 1 Evan Milazzo 2 MR. ROMEU-BATTA: We are on the record. 3 It's 9:34 a.m. on Friday, May 13, 2016. 4 Please swear in the witness. 5 E V A N M I L A Z Z O, 6 having been duly sworn by a Notary 7 Public for the State of New York, 8 testified as follows: 9 EXAMINATION 10 BY MR. ROMEU-BATTA: 11 Q Would you please state and spell your 12 full name for the record. 13 A Sure. My first name is Evan, E-v-a-n, 14 last name is Milazzo, M-i-l-a-z-z-o. 15 Q Could you state your full address. 16 A Home address? 17 Q Yes, home address. 18 A Seventy-nine West 12th Street, 19 apartment 7-G, New York, New York 10011. 20 Q My name is Xavier Romeu-Matta. I'm 21 here with David Newman and David Tomer and 22 Christopher Giglio. We are officers of the U.S. 23 Futures Trading Commission for purposes of this 24 proceeding. This is an investigation by the U.S. 25 Futures Trading Commission in the matter of Retail</p>	<p>4 1 Evan Milazzo 2 Forex Fraud to determine whether there have been 3 violations of certain provisions of the 4 Commodities Exchange Act and its regulations. 5 The facts developed in this 6 investigation might constitute violations of 7 federal or state civil or criminal laws. 8 Are you represented by counsel? 9 A Yes. 10 Q Would counsel please identify 11 themselves for the record. 12 MR. GARCIA: Christopher Garcia, Weil, 13 Gotshal & Manges on behalf of FXCM and the 14 witness. 15 MS. KELLERT: Raquel Kellert, Weil, 16 Gotshal & Manges on behalf of FXCM and the 17 witness. 18 MR. CAUCHI: Andrew Cauchi from Weil, 19 Gotshal & Manges for Evan Milazzo and FXCM. 20 MR. ROMEU-BATTA: Mr. Garcia, do you 21 represent any other individual or entity in 22 this matter? 23 MR. GARCIA: Yes. 24 MR. ROMEU-BATTA: Who do you represent? 25 MR. GARCIA: Alex Kochel.</p>

<p style="text-align: right;">53</p> <p>1 Evan Milazzo</p> <p>2 in discussions related to how the business was</p> <p>3 actually organized.</p> <p>4 Q Did you hear anything, did anyone talk</p> <p>5 to you about it? Even if you weren't involved in</p> <p>6 the actual formation discussions, did you have</p> <p>7 discussions with anyone about it?</p> <p>8 A From my perspective I understood how we</p> <p>9 were supposed to integrate with the technology,</p> <p>10 and I understood how that technology was involved</p> <p>11 in the processing of trades, but I don't know</p> <p>12 exactly how that was set up.</p> <p>13 MR. GARCIA: Part of the confusion was</p> <p>14 that you asked him whether or not he was</p> <p>15 aware it was a division. He said he doesn't</p> <p>16 know if it was a division, and you kept</p> <p>17 asking him questions about being a division.</p> <p>18 That might be the confusion.</p> <p>19 Q Did FXCM create the venture in order to</p> <p>20 engage in proprietary trading?</p> <p>21 A I don't believe so.</p> <p>22 Q Did FXCM create the venture to provide</p> <p>23 algorithmic execution services for FXCM?</p> <p>24 A Yes, I believe so.</p> <p>25 Q Why?</p>	<p style="text-align: right;">54</p> <p>1 Evan Milazzo</p> <p>2 A With the history that we had of the</p> <p>3 service that our liquidity providers had been</p> <p>4 giving us up until 2009, we saw that in particular</p> <p>5 the quality of the pricing and the execution was</p> <p>6 prone to deteriorate during times that the market</p> <p>7 got volatile, so rejection rates would rise, and</p> <p>8 this led to a poor customer experience, let's say.</p> <p>9 The quality of the execution that the customer</p> <p>10 would receive was not as good as we had hoped it</p> <p>11 would be. So we looked for some alternative ways</p> <p>12 to provide better quality pricing and execution to</p> <p>13 the customers.</p> <p>14 Q How did the EES venture allow for</p> <p>15 better execution for customers?</p> <p>16 A Basically the quality of the pricing</p> <p>17 and the execution were better in general.</p> <p>18 BY MR. TOMER:</p> <p>19 Q Could you describe a little bit more</p> <p>20 how it worked?</p> <p>21 A Sure. So that's what I was describing</p> <p>22 how a liquidity provider sends a quote into the</p> <p>23 system, and we mark that price up; that price then</p> <p>24 gets put into a pool that's the best bids and</p> <p>25 offers from all of the liquidity providers, and</p>
<p style="text-align: right;">55</p> <p>1 Evan Milazzo</p> <p>2 then we generate a best bid and offer out of those</p> <p>3 marked-up prices, and that gets delivered to our</p> <p>4 customers.</p> <p>5 Those prices can be used to trigger</p> <p>6 resting stop or limit orders or it could be used</p> <p>7 for a customer to view on a screen to try to</p> <p>8 execute a market order as well. So when a</p> <p>9 customer places that order, that order comes to</p> <p>10 FXCM, and FXCM holds that order and delivers an</p> <p>11 order to a liquidity provider to offset the risk</p> <p>12 from the customer's order, and based on the</p> <p>13 message that comes back from the liquidity</p> <p>14 provider as to whether that order is executed or</p> <p>15 rejected, FXCM then either fills that order or</p> <p>16 rejects that customer order.</p> <p>17 There's some more advanced rules based</p> <p>18 on the message that comes back from the liquidity</p> <p>19 provider as to whether that order is executed or</p> <p>20 rejected. FXCM then either fills the customer</p> <p>21 order or rejects the customer order. There are</p> <p>22 some more advanced rules depending on the types of</p> <p>23 orders and time and force and other things that</p> <p>24 are described, but that's the general process.</p> <p>25 If an order is rejected by a liquidity</p>	<p style="text-align: right;">56</p> <p>1 Evan Milazzo</p> <p>2 provider, the likelihood is that the customer is</p> <p>3 going to ultimately receive the worse price of</p> <p>4 execution than he would if the order were executed</p> <p>5 the first time around. And so, the rejection</p> <p>6 rates from the liquidity providers are an</p> <p>7 important metric for us to follow because we want</p> <p>8 to target a lower rejection rate, because it</p> <p>9 provides better quality execution to the</p> <p>10 customers.</p> <p>11 Q How is EES to accomplish this where the</p> <p>12 regular liquidity providers did not?</p> <p>13 A Basically based on more advanced, I</p> <p>14 guess, algorithm for how to provide prices and</p> <p>15 take execution, EES was able to lower the</p> <p>16 rejection rates below what the rest of the</p> <p>17 liquidity providers were doing at the time.</p> <p>18 Q I guess you're telling me what they</p> <p>19 did, and I'm still not clear how they did it. You</p> <p>20 know, if the bank tends to be rejecting during</p> <p>21 volatility, how is it that EES was able to execute</p> <p>22 and not reject?</p> <p>23 A So part of the reason for that is that</p> <p>24 there's risk tolerances inside of trading</p> <p>25 algorithms, so the liquidity provider is willing</p>

<p style="text-align: right;">89</p> <p>1 Evan Milazzo</p> <p>2 the week.</p> <p>3 Q. Do you know why Mr. Dittami was sending</p> <p>4 you and Mr. Niv and Mr. Ahdout the revenue for the</p> <p>5 week?</p> <p>6 A. John would generally try to keep us</p> <p>7 updated on how Effex was doing as a business,</p> <p>8 partially because they were an important liquidity</p> <p>9 provider to us, and so it was important to know</p> <p>10 that they were a profitable company so that we</p> <p>11 could see that the quality of execution, pricing</p> <p>12 that they were providing to our customers was</p> <p>13 something that was sustainable for that business.</p> <p>14 We used to receive similar type updates from other</p> <p>15 liquidity providers as well about what type of</p> <p>16 profitability they were seeing from our customer</p> <p>17 base.</p> <p>18 Q. Other than as a liquidity provider, do</p> <p>19 you know whether Effex had any other interest in</p> <p>20 the P&L at Effex during this period?</p> <p>21 A. Not to my knowledge.</p> <p>22 Q. Do you know whether any entity at FXCM</p> <p>23 received other payments from Effex Capital during</p> <p>24 this time other than order flow, liquidity?</p> <p>25 A. The only one I know is order flow.</p>	<p style="text-align: right;">90</p> <p>1 Evan Milazzo</p> <p>2 Q. Order flow payments?</p> <p>3 A. Yes.</p> <p>4 Q. Do you have an understanding what that</p> <p>5 is?</p> <p>6 A. I believe we discussed it before, it</p> <p>7 was the payment that was made to FXCM for the</p> <p>8 order flow that FXCM introduced to Effex. The</p> <p>9 concept exists in our industry of rebates, let's</p> <p>10 call them. We apply them to our introducing</p> <p>11 brokers as well if they introduce business to us,</p> <p>12 we will pay them for the order flow that they</p> <p>13 introduced to us. So as a customer of Effex,</p> <p>14 Effex was paying FXCM for the order flow that FXCM</p> <p>15 was introducing to Effex.</p> <p>16 MR. TOMER: Okay, we will come back to</p> <p>17 that.</p> <p>18 (October 24, 2010 e-mail was</p> <p>19 marked Deposition Exhibit 6 for</p> <p>20 identification.)</p> <p>21 BY MR. NEWMAN:</p> <p>22 Q. Let me show you what I marked as</p> <p>23 Exhibit Number 6. Please review that and let me</p> <p>24 know when you are done. This is an e-mail from</p> <p>25 Joshua Rosenfeld to John Dittami dated October 24,</p>
<p style="text-align: right;">91</p> <p>1 Evan Milazzo</p> <p>2 2010 attaching an invoice dated October 2010 for</p> <p>3 the month of September 2010 from FXCM, LLC to</p> <p>4 Effex Capital. You are not a recipient.</p> <p>5 Let me know when you are done with the</p> <p>6 exhibit.</p> <p>7 A. Okay.</p> <p>8 Q. Have you ever seen a document of this</p> <p>9 type?</p> <p>10 A. I don't remember having seen one.</p> <p>11 Q. Do you recognize -- do you know what</p> <p>12 this document is about?</p> <p>13 A. I have an understanding that it's an</p> <p>14 invoice that was issued to Effex Capital by FXCM.</p> <p>15 Q. Can you take us through your</p> <p>16 understanding of this document.</p> <p>17 A. Sure. Where would you like me to</p> <p>18 start?</p> <p>19 Q. Start with the description Rebate For</p> <p>20 Effex Trades.</p> <p>21 A. So that would be what I alluded to</p> <p>22 earlier about the payment for order flow or</p> <p>23 rebate, as we would describe it in our business</p> <p>24 model where we introduced volume to Effex, so they</p> <p>25 paid us for the order flow or the volume that we</p>	<p style="text-align: right;">92</p> <p>1 Evan Milazzo</p> <p>2 introduced to them.</p> <p>3 Q. Is it fair to say that Effex was</p> <p>4 rebating or returning to FXCM Holdings part of the</p> <p>5 profits that Effex made in trades sent to Effex by</p> <p>6 FXCM?</p> <p>7 A. I wouldn't know. I don't know what</p> <p>8 Effex's profitability would have been on the</p> <p>9 trading volume that's described here in the second</p> <p>10 column.</p> <p>11 Q. Was Effex rebating trading profits to</p> <p>12 FXCM?</p> <p>13 A. Effex was making a payment for order</p> <p>14 flow to FXCM.</p> <p>15 Q. But in the document it makes a</p> <p>16 reference to rebates for Effex trades; is that</p> <p>17 right?</p> <p>18 A. Yes, that's correct.</p> <p>19 Q. What is your understanding of that</p> <p>20 statement?</p> <p>21 A. My understanding is that there's</p> <p>22 general terminology in the industry that would be</p> <p>23 used by an FXCM employee like Joshua Rosenfeld</p> <p>24 about rebates being the payments that an</p> <p>25 introducing entity would receive from the company</p>

<p style="text-align: right;">197</p> <p>1 Evan Milazzo</p> <p>2 could get the same information that Darren is</p> <p>3 talking about?</p> <p>4 A That's correct. I think it's published</p> <p>5 on our daily effects website and then I think you</p> <p>6 can also, clients can request to subscribe to it</p> <p>7 if they want it in a more real time updated</p> <p>8 fashion as well.</p> <p>9 Q That's what he's referring to should be</p> <p>10 easy to connect to and obtain data, subscribing?</p> <p>11 A Yes, I believe so.</p> <p>12 BY MR. TOMER:</p> <p>13 Q And that just shows on a net basis all</p> <p>14 the positions that are out there?</p> <p>15 A Yes. For each instrument, it shows a</p> <p>16 net long and net short position and some sort of</p> <p>17 ratio between the number of positions that are</p> <p>18 long and the number of positions that are short.</p> <p>19 Q Does it show a number of accounts or</p> <p>20 anything like that, like number of accounts that</p> <p>21 are long on average, number of accounts that are</p> <p>22 short on average?</p> <p>23 A Not sure, to be honest.</p> <p>24 BY MR. NEWMAN:</p> <p>25 Q To your knowledge, did FXCM ever embed</p>	<p style="text-align: right;">198</p> <p>1 Evan Milazzo</p> <p>2 a lesser markup on the bid/ask spread submitted by</p> <p>3 Effex as compared to other market makers?</p> <p>4 A Yes.</p> <p>5 Q When?</p> <p>6 A I don't remember the exact times.</p> <p>7 Q Do you know why?</p> <p>8 A Yes, I do.</p> <p>9 Q Could you tell me why?</p> <p>10 A Effex was providing a higher level of</p> <p>11 services in terms of pricing an execution, and so</p> <p>12 as a result of that we made an exception to</p> <p>13 provide a smaller markup on the prices that they</p> <p>14 were sending to us, to allow them to win more</p> <p>15 trade flow essentially.</p> <p>16 Q To your knowledge, did FXCM ever impose</p> <p>17 a larger markup on the bid/ask spreads of other</p> <p>18 liquidity providers in order to make Effex's</p> <p>19 bid/ask spread more competitive?</p> <p>20 A No, not for that reason.</p> <p>21 Q For what reason?</p> <p>22 A We apply larger markup for other</p> <p>23 liquidity providers in order to penalize those</p> <p>24 liquidity providers for violation of the services</p> <p>25 we expected them to provide to us.</p>
<p style="text-align: right;">199</p> <p>1 Evan Milazzo</p> <p>2 Q Such as?</p> <p>3 A If their rejection rate was very high,</p> <p>4 if their response time was very slow, et cetera.</p> <p>5 Q Did the ability to see bids and offers</p> <p>6 and win all ties help Effex profit in the</p> <p>7 market-making trades?</p> <p>8 A I don't know about Effex's</p> <p>9 profitability and market-making.</p> <p>10 Q Did it give a competitive edge over</p> <p>11 other market makers?</p> <p>12 A Yes, it did.</p> <p>13 Q Did it help Effex attract FXCM trading</p> <p>14 volume?</p> <p>15 A Yes, it did.</p> <p>16 Q To your knowledge, did FXCM disclose to</p> <p>17 retail customers that Effex had access to bid and</p> <p>18 offers of other market makers and winning of all</p> <p>19 ties?</p> <p>20 A Not sure.</p> <p>21 Q Who would know.</p> <p>22 A For disclosure, either a member of the</p> <p>23 compliance team or member of the marketing team.</p> <p>24 Q To your knowledge, does FXCM disclose</p> <p>25 to other market makers that Effex could see bids</p>	<p style="text-align: right;">200</p> <p>1 Evan Milazzo</p> <p>2 and offers and win all ties?</p> <p>3 A I believe it did.</p> <p>4 Q To all of the other market makers?</p> <p>5 A I wasn't involved in discussions with</p> <p>6 other liquidity providers.</p> <p>7 Q To your knowledge did any FXCM</p> <p>8 employee, officer or director ever express</p> <p>9 concerns to you or to any other Effex employee</p> <p>10 that Effex should not disclose that it received</p> <p>11 trading advantages from FXCM?</p> <p>12 A Can you repeat the question?</p> <p>13 Q To your knowledge did any FXCM</p> <p>14 employee, officer or director ever express</p> <p>15 concerns to you or any other employee of Effex</p> <p>16 that Effex should not disclose that it received</p> <p>17 trading advantages from FXCM?</p> <p>18 A Just to clarify, so the question is</p> <p>19 whether it was disclosed to me or an employee of</p> <p>20 Effex?</p> <p>21 Q Yes.</p> <p>22 A Not to my knowledge.</p> <p>23 BY MR. TOMER:</p> <p>24 Q Just taking a step back. You say that</p> <p>25 you believe that FXCM disclosed to the other</p>

<p style="text-align: right;">213</p> <p>1 Evan Milazzo</p> <p>2 Xavier was talking about?</p> <p>3 A Yes, that as well.</p> <p>4 MR. TOMER: Why don't we take a</p> <p>5 two-minute break.</p> <p>6 (Brief recess, 3:26 p.m.)</p> <p>7 MR. ROMEU-BATTA: Back on the record.</p> <p>8 It's 3:34 p.m.</p> <p>9 BY MR. NEWMAN:</p> <p>10 Q So I just have a couple of questions</p> <p>11 following up on your testimony about the</p> <p>12 difference in pips of markup between Effex and</p> <p>13 other liquidity providers.</p> <p>14 Can you describe what the process was</p> <p>15 for determining, for FXCM determining the amount</p> <p>16 of the markup for different liquidity providers</p> <p>17 for different products?</p> <p>18 A Yes, I can.</p> <p>19 Q Okay.</p> <p>20 A So the primary change in price, retail</p> <p>21 Effex market, is a tenth of a pip. So we define</p> <p>22 the markups in terms of pips and tenths of a pip,</p> <p>23 which is the smallest precision that we show to</p> <p>24 the client, the largest precision and smallest</p> <p>25 denomination we show to the client, and the</p>	<p style="text-align: right;">214</p> <p>1 Evan Milazzo</p> <p>2 process to determine what the markups were. It</p> <p>3 was always, prior to our agency model, we always</p> <p>4 used to get a price feed from an external source</p> <p>5 and then we would have a markup that we would</p> <p>6 effectively put on top of that price from the</p> <p>7 external source to create a price for our</p> <p>8 principal or dealing desk model. So when we went</p> <p>9 to the agency model, those markups were probably</p> <p>10 1.5 pips in Eurodollars, like that. And they</p> <p>11 narrowed over time.</p> <p>12 The process that we took was to try to</p> <p>13 find a markup value that would allow us to take</p> <p>14 the best bid and offer from the providers and with</p> <p>15 that markup would keep us on a competitive playing</p> <p>16 field against the rest of the retail brokers in</p> <p>17 the industry. And so that's how we settled on the</p> <p>18 1.1 pip values.</p> <p>19 Q As between Effex or any other liquidity</p> <p>20 provider or any liquidity providers, how is it</p> <p>21 determined whether it should be 1 pip or 1.1 pips</p> <p>22 for Eurodollars or any other currency?</p> <p>23 A To be honest, I wasn't involved in the</p> <p>24 actual decision about what the values themselves</p> <p>25 should be. But it's my understanding that the</p>
<p style="text-align: right;">215</p> <p>1 Evan Milazzo</p> <p>2 idea was that we would take our standard value and</p> <p>3 if someone was providing exemplary service they</p> <p>4 would get marked up less and if the liquidity</p> <p>5 provider was violating or not meeting the</p> <p>6 expectations we had in terms of the service they</p> <p>7 were providing to us, that they would be marked up</p> <p>8 more. But I actually wasn't involved in the</p> <p>9 setting of 1 pip or 1.1 pip.</p> <p>10 Q Were you involved in any discussion</p> <p>11 internally at FXCM or with liquidity providers in</p> <p>12 which arguments were made or lobbying was done,</p> <p>13 for lack of a better term, about the amount of the</p> <p>14 markups?</p> <p>15 A No, I didn't normally have</p> <p>16 conversations about that. I was focused on</p> <p>17 technology and implementation of it.</p> <p>18 Q Were you aware of any discussions</p> <p>19 between John Dittami and FXCM in which Mr. Dittami</p> <p>20 made arguments for either Effex getting a lower</p> <p>21 markup or any other liquidity provider getting a</p> <p>22 higher markup or anything of that nature?</p> <p>23 A I'm aware that John made suggestions to</p> <p>24 Patricia and William as to what the markup value</p> <p>25 should be.</p>	<p style="text-align: right;">216</p> <p>1 Evan Milazzo</p> <p>2 Q Were his suggestions followed, to your</p> <p>3 knowledge?</p> <p>4 A Sometimes I believe they were, and</p> <p>5 sometimes they weren't.</p> <p>6 Q What was the nature of the argument</p> <p>7 that he made?</p> <p>8 A I'm not sure. I remember seeing some</p> <p>9 e-mail that he had sent with suggestions but I</p> <p>10 don't know about the actual arguments underlying</p> <p>11 his suggestions.</p> <p>12 Q And the decisions were made by</p> <p>13 Patricia, or somebody else?</p> <p>14 A The way I would put it is that Patricia</p> <p>15 would make the decision but she was accountable to</p> <p>16 William for that decision-making also.</p> <p>17 Q But you weren't involved in any of the</p> <p>18 particular discussions aside from being copied</p> <p>19 on--</p> <p>20 A Right.</p> <p>21 BY MR. ROMEU-BATTA:</p> <p>22 Q Were other liquidity providers also</p> <p>23 having their principal make arguments in favor of</p> <p>24 what the markup or markdown should be?</p> <p>25 A I'm not certain.</p>

<p style="text-align: right;">265</p> <p>1 Evan Milazzo</p> <p>2 Q You may have answered this question but</p> <p>3 in any event, was Effex ever listed as a liquidity</p> <p>4 provider on FXCM's annual brochure to</p> <p>5 shareholders?</p> <p>6 A Not sure.</p> <p>7 Q Did you ever have discussions with FXCM</p> <p>8 employees, officers, or directors about whether</p> <p>9 FXCM should disclose Effex as a liquidity provider</p> <p>10 in FXCM's annual brochure to shareholders?</p> <p>11 A No, I was not involved in those</p> <p>12 discussions.</p> <p>13 Q Did you ever have any discussions with</p> <p>14 FXCM employees, officers, or directors about</p> <p>15 whether FXCM should not disclose Effex as a</p> <p>16 liquidity provider in the FXCM annual brochure to</p> <p>17 its shareholders?</p> <p>18 A No, I did not.</p> <p>19 Q Did you ever have any discussions with</p> <p>20 FXCM employees, officers, or directors about</p> <p>21 whether FXCM should disclose Effex as a liquidity</p> <p>22 provider in its filings with the SEC?</p> <p>23 A No, I did not.</p> <p>24 Q Did you ever have any discussion with</p> <p>25 FXCM employees, officers, or directors about</p>	<p style="text-align: right;">266</p> <p>1 Evan Milazzo</p> <p>2 whether FXCM should not disclose Effex as a</p> <p>3 liquidity provider in its filing with the SEC?</p> <p>4 A I did not.</p> <p>5 Q To your knowledge, did FXCM publicly</p> <p>6 acknowledge that Effex was making regular payment</p> <p>7 to FXCM Holdings, LLC in connection with Effex</p> <p>8 activities on FXCM's retail foreign exchange</p> <p>9 platform?</p> <p>10 A I don't know.</p> <p>11 Q Did you ever have any discussion with</p> <p>12 FXCM employees, officers, or directors about</p> <p>13 whether FXCM should not disclose that Effex was</p> <p>14 making regular payment to FXCM Holdings, LLC in</p> <p>15 connection with its activities on FXCM's retail</p> <p>16 foreign exchange platform?</p> <p>17 A No.</p> <p>18 Q As we have discussed before, you are</p> <p>19 familiar with FXCM's business model, correct?</p> <p>20 A Correct.</p> <p>21 Q The business model has been described</p> <p>22 as an agency or a riskless principal business</p> <p>23 model, correct?</p> <p>24 A That's correct.</p> <p>25 Q Are you familiar with the claim by FXCM</p>
<p style="text-align: right;">267</p> <p>1 Evan Milazzo</p> <p>2 that this model was a no-dealing desk model?</p> <p>3 A Yes, I am.</p> <p>4 Q Are you familiar with representations</p> <p>5 to customers between 2010 and 2012 that FXCM</p> <p>6 offered a no dealing desk model?</p> <p>7 A Yes.</p> <p>8 Q As part of the no dealing desk model</p> <p>9 FXCM claimed that it was not profiting from</p> <p>10 customer losses, correct?</p> <p>11 A That's correct.</p> <p>12 Q Wasn't FXCM profiting from customer</p> <p>13 trades involving Effex because it received a</p> <p>14 rebate?</p> <p>15 A I believe the question was whether FXCM</p> <p>16 was profiting from its customer's losses and I</p> <p>17 don't think there's any direct correlation between</p> <p>18 customer losses and the rebate that Effex was</p> <p>19 paying to FXCM.</p> <p>20 Q Was the market making and risk taking</p> <p>21 by the EES division of FXCM contrary to no dealing</p> <p>22 representations to its customers?</p> <p>23 A Are you asking me to form an opinion?</p> <p>24 Q Yes.</p> <p>25 A I don't know.</p>	<p style="text-align: right;">268</p> <p>1 Evan Milazzo</p> <p>2 Q Did anybody at FXCM raise the question</p> <p>3 whether EES venture could be considered a dealing</p> <p>4 desk of FXCM?</p> <p>5 A I don't recall.</p> <p>6 Q Did anybody at FXCM compliance have any</p> <p>7 concerns whether the EES venture could be</p> <p>8 considered a dealing desk of FXCM?</p> <p>9 A I don't recall.</p> <p>10 Q EES was engaging in market making,</p> <p>11 proprietary trading, algorithmic execution</p> <p>12 services and risk taking; is that correct?</p> <p>13 A Can you repeat the list?</p> <p>14 Q Yes, the list is market making --</p> <p>15 A Yes.</p> <p>16 Q Was EES engaged in proprietary trading?</p> <p>17 A I don't recall.</p> <p>18 Q Was EES engaged in algorithmic</p> <p>19 execution services?</p> <p>20 A Yes.</p> <p>21 Q Was it engaged in risk taking?</p> <p>22 A Yes.</p> <p>23 Q Didn't that render EES essentially a</p> <p>24 dealing desk?</p> <p>25 A Again, you're asking me to form an</p>